

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 STR-04 DODE-00 PM-04

H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 /087 W

-----221853Z 074318 /42

R 220927Z APR 77

FM AMCONSUL DURBAN

TO SECSTATE WASHDC 2550

INFO AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL JOHANNESBURG

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CAPE TOWN FOR EMBASSY

EO 11652: NA

TAGS: PINT PGOV PFOR SF

SUBJ: KWAZULU GOVERNMENT VIEW ON FOREIGN INVESTMENT

1. THE QUESTION OF CONTINUED FOREIGN INVESTMENT IN SOUTH AFRICA HAS BEEN BEFORE THE KWAZULU LEGISLATIVE ASSEMBLY (KLA) SINCE IT CONVENED IN MID-MARCH. CHIEF MINISTER GATSHA BUTHELEZI RAISED THE ISSUE IN HIS POLICY SPEECH TO THE KLA AND ASKED MEMBERS TO GIVE HIM THEIR ADVICE ON THE POSITION HE SHOULD ADOPT. IN PROPOSING THE DISCUSSION, BUTHELEZI DESCRIBED HIS PERSONAL MORAL DILEMA SINCE AS CHOSEN LEADER OF THE ZULUS HE DID NOT HAVE THE LUXURY OF ACADEMIC DETACHMENT BUT HAD ALSO TO CONSIDER THE CONSEQUENCES FOR HIS PEOPLE. IT SEEMED APPARENT FROM HIS REMARKS THAT HE WAS SEEKING KLA ENDORSEMENT OF CONTINUED FOREIGN INVESTMENT BUT ON TERMS MORE FAVORABLE TO BLACK SOUTH AFRICANS. HE APPARENTLY BELIEVES THAT A KLA CONSENSUS WOULD STRENGTHEN HIS REBUTTAL OF CRITICISM FROM MORE RADICAL BLACK LEADERS WHO ADVOCATE THE END TO FOREIGN INVESTMENT AND SUGGEST THAT

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BLACK LEADERS WHO DISAGREE ARE PUPPETS OF IMPERIALISM OR PRETORIA.

2. THE KLA RESPONDED AS BUTHELEZI EXPECTED, SPEAKER AFTER SPEAKER ENDORSING THE CONTINUATION OF FOREIGN INVESTMENT AS A "NECESSARY EVIL" TO PREVENT FURTHER ECONOMIC HARDSHIPS FOR THE BLACK MAN IN SOUTH AFRICA. CONGEN OFFICER RECENTLY DISCUSSED

TOPIC WITH FOUR OF BUTHELEZI'S PRINCIPAL ADVISORS: AGRICULTURAL MINISTER SITHOLE; JUSTICE MINISTER MTETA; DR. S. NGCOBO, US AND UK TRAINED ECONOMIST NOW ECONOMIC ADVISOR TO BUTHELEZI; AND BUTHELEZI'S SECRETARY AND AIDE DE CAMP, MR. ERIC NGUBANE. ALL UNANIMOUSLY SUPPORTED THE CONTINUATION OF FOREIGN INVESTMENT AND STATED THIS WAS BUTHELEZI'S POSITION AS WELL. THEY ARGUED THAT AN END TO THE INFLOW OF FOREIGN CAPITAL MEANT OVER-ALL ECONOMIC STAGNATION WITH LARGE SCALE LAY-OFFS CONCENTRATED AMONG BLACK WORKERS. INSTEAD THEY FAVORED INCREASED INVESTMENT BUT WITH EMPHASIS ON PROJECTS WHICH WOULD ASSIST THE BLACK MAN. IN PARTICULAR THEY URGED THAT NEW UNDERTAKINGS BE CONCENTRATED IN BLACK AREAS AND HAVE INCREASED BLACK MANAGERIAL PARTICIPATION. DR. NGCOBO SAID COMPREHENSIVE DEVELOPMENT PLAN FOR KWAZULU HAD JUST BEEN APPROVED BY THE CABINET AND WOULD BE INTRODUCED IN THE KLA WITHIN THE NEXT TWO MONTHS. HE INDICATED THE PLAN ENVISAGED INCREASED INVESTMENT IN KWAZULU AND HOPED SOME FOREIGN MONEY WOULD BE OBTAINED.

3. COMMENT: ON THE QUESTION OF FOREIGN INVESTMENT AS WITH OTHER TOPICS, BUTHELEZI RECEIVED THE AFFIRMATIVE RESPONSE HE DESIRED FROM THE INKATHA-DOMINATED KLA. HE HAS NOT YET PUBLICLY DRAWN ON THIS SUPPORT TO CONFRONT HIS DETRACTORS BUT PREDICTABLY WILL USE IT TO DEFLECT CRITICISM OF HIS CONTINUED DESIRE FOR FOREIGN INVESTMENT. IT IS NOT CLEAR HOW THIS POSTURE CONFORMS WITH BUTHELEZI'S RECENT PUBLIC EXPRESSIONS OF DISILLUSIONMENT WITH WESTERN ECONOMIC MODELS AND PRACTICES. HOWEVER, ANY CONTRADICTION CAN PROBABLY BE VIEWED IN LIGHT OF THE VERY MORAL NATURE OF BUTHELEZI HIMSELF AND HIS DEEP PERSONAL SENSE OF RESPONSIBILITY FOR THE ECONOMIC WELL-BEING

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OF S.A. BLACKS
FARBER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DURBAN00218
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770140-1152
Format: TEL
From: DURBAN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770430/aaaaaznx.tel
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Litigation History:
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Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 09-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2728616
Secure: OPEN
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TAGS: PINT, PGOV, PFOR, SF, (BUTHELEZI, GATSHA)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ec7f1fa1-c288-dd11-92da-001cc4696bcc
Review Markings:
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